

ASSEMBLY BILL

No. 1132

**Introduced by Assembly Member Berryhill
(Coauthor: Assembly Member Huffman)**

February 23, 2007

An act to add and repeal Sections 17053.90 and 23661 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1132, as introduced, Berryhill. Taxation: deduction: graywater irrigation system.

The Personal Income Tax and Corporation Tax Laws allow various credits against the taxes imposed by those laws.

This bill would, for taxable years beginning on or after January 1, 2007, and before January 1, 2021, authorize a credit for the costs paid or incurred for the installation of a graywater irrigation system, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.90 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.90. (a) For each taxable year beginning on or after
- 4 January 1, 2007, and before January 1, 2021, there shall be allowed
- 5 as a credit against the "net tax," as defined in Section 17039, an

1 amount equal to the following percentage for the cost of an
2 irrigation system utilizing graywater, as defined in Section 14876
3 of the Water Code:

4 (1) Fifty percent of the cost of a system installed on or after
5 January 1, 2007, and before January 1, 2012.

6 (2) Forty percent of the cost of a system installed on or after
7 January 1, 2012, and before January 1, 2015.

8 (3) Twenty-five percent of the cost of a system installed on or
9 after January 1, 2015, and before January 1, 2018.

10 (4) Ten percent of the cost of a system installed on or after
11 January 1, 2018, and before January 1, 2021.

12 (b) In the case where the credit allowed by this section exceeds
13 the “net tax,” the excess may be carried over to reduce the “net
14 tax” in the following year, and the succeeding two taxable years
15 if necessary, until the credit is exhausted.

16 (c) This section shall remain in effect only until December 1,
17 2021, and as of that date is repealed.

18 SEC. 2. Section 23661 is added to the Revenue and Taxation
19 Code, to read:

20 23661. (a) For each taxable year beginning on or after January
21 1, 2007, and before January 1, 2021, there shall be allowed as a
22 credit against the “tax,” as defined in Section 23036, an amount
23 equal to the following percentage for the cost of an irrigation
24 system utilizing graywater, as defined in Section 14876 of the
25 Water Code:

26 (1) Fifty percent of the cost of a system installed on or after
27 January 1, 2007, and before January 1, 2012.

28 (2) Forty percent of the cost of a system installed on or after
29 January 1, 2012, and before January 1, 2015.

30 (3) Twenty-five percent of the cost of a system installed on or
31 after January 1, 2015, and before January 1, 2018.

32 (4) Ten percent of the cost of a system installed on or after
33 January 1, 2018, and before January 1, 2021.

34 (b) In the case where the credit allowed by this section exceeds
35 the “tax,” the excess may be carried forward to reduce the “tax”
36 in the following year, and the succeeding two taxable years if
37 necessary, until the credit is exhausted.

38 (c) This section shall remain in effect only until December 1,
39 2021, and as of that date is repealed.

1 SEC. 3. This act provides for a tax levy within the meaning of
2 Article IV of the Constitution and shall go into immediate effect.

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